



November 14, 2016

*Written Ex Parte* Presentation

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Re: Connect America Fund – WC Docket No. 10-90

Dear Ms. Dortch:

UBTA-UBET Communications, Inc., *dba* Strata Networks, files this letter to highlight important points of consideration regarding how the FCC should address rate-of-return carriers' election of support based on the Alternative Connect America Cost Model (A-CAM), which would produce support and transition payments that significantly exceed the overall 10-year budget set by the Commission for carriers electing the model path.<sup>1</sup>

Strata Networks is a rate-of-return regulated cooperative headquartered in Roosevelt, Utah and serves more than 26,000 locations with high-quality broadband and voice services.

After reviewing the Report and Order released March 30, 2016, we recognized that the strategic goals of the FCC for broadband deployment and the strategic goals of STRATA Networks for broadband deployment were very much in-line with one another. We have spared no effort in evaluating the Report and Order, identifying internal procedural change, and analyzing the expenses and effort that would be necessary to achieve the required deployment goals set forth by the FCC.

An important conclusion we drew from the Report and Order, was that the FCC has set forth a plan that recognizes and understands the higher cost of deploying acceptable broadband speeds in rural America. The industry agrees that rural America is digitally divided from urban America. By fully funding A-CAM, Strata Networks believes it can increase the speed in which it deploys affordable broadband services to its customers.

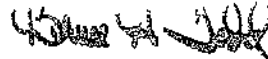
Strata Networks recommends that any measure(s) the FCC takes to address the high level of interest in A-CAM should adhere to the following principles:

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<sup>1</sup> See, *Wireline Competition Bureau Announces Results of Rate-of-Return Carriers That Accepted Offer of Model Support*, WC Docket No. 10-90, Public Notice, DA 16-1246 (WCB rel. Nov. 2, 2016).

1. *High-cost Universal Service Fund (USF) support for rate-of-return carriers should be fully funded, both for carriers electing A-CAM and those opting to remain on the reformed legacy mechanisms.* Absent full funding, rate-of-return carriers will be increasingly challenged in their ability to: (1) continue deploying and upgrading broadband service throughout their territories; (2) provide service at affordable and “reasonably comparable” rates (standalone broadband in particular); (3) maintain their networks; and (4) repay infrastructure loans. These outcomes are antithetical to the Commission’s objectives for modernization of the high-cost USF program for rate-of-return carriers.
2. *If high-cost USF support for rate-of-return carriers cannot be fully funded, then the FCC should allocate the proposed additional \$50 million from the CAF reserve account to the A-CAM budget.<sup>2</sup>* Doing so will provide additional incentive for carriers that elected A-CAM to accept any revised offer they may receive. It will also result in greater broadband deployment, faster speeds, and more affordable rates in the areas served by these carriers.
3. The significant number of A-CAM electors is an indication that the FCC has put forth a plan for rural America that many carriers believe can improve rural broadband deployment. *Any measure(s) the FCC adopts to address the A-CAM budget shortfall should seek to maintain A-CAM eligibility for as many carriers as possible that initially elected model-based support.* Carriers that accepted the A-CAM support offer expended significant time and effort to determine whether and how model-based support would be beneficial for their rural customers and communities. Therefore, they should be given every opportunity to continue to elect A-CAM support.
4. *Any reduction in a carrier’s offer of model-based support must be accompanied with an appropriately calculated reduction in broadband deployment obligations.* This includes a reduced number of locations for which there is a defined deployment obligation and/or reduced minimum speed requirements for such deployments.

Respectfully Submitted,



/s/ Bruce H. Todd

Bruce H. Todd

Chief Executive Officer/General Manager

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<sup>2</sup> *Connect America Fund et al.*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, WC Docket No. 10-90 et al., DA 16-661 (rel. Jun. 15, 2016), para. 62.